

KAJARIA CERAMICS LIMITED

CIN: L26924UP1985PLC007595

Regd. Office: A-27 to 30, Industrial Area, Sikandrabad, District Bulandshahr U.P. -203205

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Phone: +91-011-26946409, Fax: +91-11-26946407

Website: www.kajariaceramics.com Email: investors@kajariaceramics.com

NOTICE OF POSTAL BALLOT

Dear Member(s),

Notice is hereby given in pursuance to Section 110 of the Companies Act, 2013 ("ACT") read with Rule 22 of Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, that the resolutions appended are proposed to be passed as special resolutions by way of Postal Ballot

An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out all material facts and reasons for the proposed Special Resolutions are appended herein below along with the Ballot Form (Form) for your consideration. Each of the special resolutions mentioned herein shall be declared as passed if the number of votes cast in favour of such special resolution is not less than three times the number of votes cast against the said special resolution.

You are requested to carefully read the instructions printed on the Form, record your assent (for) or dissent (against) therein by filling necessary details and affixing your signatures at the designated place in the form and return the same in original duly completed in enclosed self addressed, postage pre-paid envelop (if posted in India) so as to reach the Scrutinizer not later than the close of working hours i.e 6.00 P.M. on Tuesday, 9th December 2014. Please note that any postal Ballot form (s), received after the said date will be treated as not received.

Upon Completion of the Scrutiny of the Forms, the Scrutinizer will submit his report to the Chairman & Managing Director. The result of the Postal Ballot would be announced by the Chairman & Managing Director or Company Secretary of the Company on Monday, 15th December 2014 at the Registered Office of the Company. The aforesaid result would be displayed at the Registered Office of the Company, intimated to the Stock Exchanges where shares of the Company are listed, published in the Newspapers and displayed along with the Scrutinizer's report on the Company's Website i.e. www.kajariaceramics.com. The date of announcement of result of Postal Ballot shall be considered to be the date of Extra Ordinary General Meeting and the date of passing the said resolutions.

PROPOSED RESOLUTIONS:

ITEM NO 1: TO SHIFT THE REGISTERED OFFICE FROM THE STATE OF UTTAR PRADESH TO THE STATE OF HARYANA

To consider and if thought fit to pass with or without modification(s), the following resolution as a Special Resolution;

"RESOLVED THAT subject to the provisions of Section 12, 13 and Section 110 and other applicable provisions of Companies Act, 2013, read with relevant rules applicable, if any, (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to the approval of Regional Director or the central government and such other approvals, permissions and sanction, as may be required from time to time, consent of the members be and is hereby accorded for shifting the registered office of the Company from the State of Uttar Pradesh to the State of Haryana and that the Clause II of the Memorandum of Association of the Company be substituted and replaced as the follows:

II. The Registered office of the company will be situated in the State of Haryana.

"RESOLVED FURTHER THAT upon the aforesaid resolution becoming effective, the registered office of the Company be shifted from A-27 to 30, Industrial Area, Sikandrabad, District Bulandshahr, U.P. situated under the jurisdiction of the Registrar of Companies, Kanpur & Nainital (For the State of Uttar Pradesh & Uttarakhand) to Space No. SF-11, On Second Floor of JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur, Ghosi, Tehsil & District –Gurgaon, Haryana situated under the jurisdiction of Registrar of Companies, Delhi (For State of Delhi & Haryana).

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company (hereinafter called the "Board", which term shall be deemed to include any person (s) authorized and / or Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) or any officer so authorised by the Board, be and is hereby authorised to agree to and make and accept such conditions, modifications and alterations stipulated by any one of the authorities, statutory or otherwise, while according approval, consent as may be considered necessary and to appoint counsels and advisors, file applications/ petitions, issue notice, advertisements, obtain orders of shifting of registered office from the concerned authorities and take such steps and to do such acts, deeds and things as they may deem necessary and proper in this matter."

ITEM NO. 2: TO AMEND AND ADOPT THE NEW ARTICLES OF ASSOCIATION OF THE COMPANY

To consider and if thought fit to pass with or without modification(s), the following resolution(s) as a Special Resolution;

"RESOLVED THAT pursuant to section 14 and other applicable provisions if any, of the Companies Act, 2013, read with rules prescribed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association which is available for public inspection at the Registered Office of the Company and on Company's Website be and is hereby approved and adopted in substitution and to the entire exclusion of the regulations in the existing Articles of Association of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter called the "Board", which term shall be deemed to include any person (s) authorized and / or Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) or any officer so authorised by the Board be and is hereby authorised to agree to and make and accept such conditions, modifications and alterations stipulated by any one of the authorities, statutory or otherwise, while according approval, consent as may be considered necessary and to do all such acts, deeds and things as are deemed expedient and necessary and to file necessary forms/ returns/ applications/ documents/ papers as are required to be filed with the Office of Registrar of Companies and other authorities, statutory or otherwise and to take all such steps and actions as may be necessary, proper, expedient or incidental for the purpose of giving effect to the this resolution."

ITEM 3: TO PROVIDE SECURITY U/S 180(1)(a) OF THE COMPANIES ACT, 2013 IN CONNECTION WITH THE BORROWINGS OF THE COMPANY.

To consider and if thought fit to pass with or without modification(s), the following resolution(s) as a Special Resolution;

"RESOLVED THAT in supersession to the earlier resolutions passed by the shareholders in this behalf and pursuant to the provisions of Section 180(1)(a) and other applicable provisions of Companies Act, 2013 read with relevant rules thereof, (including any statutory modification(s) or re-enactment thereof, for the time being in force), and articles of association of the Company, and subject to such other approvals if applicable or required under any statute(s)/rule(s)/regulation(s), the consent of the company be and is hereby accorded to the Board of Directors of the Company (hereinafter called the "Board", which term shall include any person(s) authorized by the Board in this behalf and / or any Committee thereof) to sale, lease, assign, deliver, or otherwise dispose off whole or substantially whole of the undertaking(s) of the Company or to create such mortgages, charges, hypothecation, security and other encumbrances, if any, created by the Company on all or any part of movable or immovable properties, current and/ or fixed assets, tangible or intangible assets, book debts and /or claims of the company whosoever situated, present and future and such charge to rank either first, pari passu with or second, subsequent, subservient and subordinate to all mortgages, charges, hypothecations, securities and other encumbrances created/ to be created in favour of Indian / Foreign Financial Institutions, Banks or other lending Institutions and/or to such other persons, if any, from whom the Company has proposed or proposes to borrow money / sums of moneys by way of term loans, cash credits,

overdrafts, discounting of Bills, Inter Corporate Deposits, Commercial Papers or such other financial instruments permitted to be used by the appropriate authorities from time to time together with the interest, costs, charges and other incidental expenses in terms of agreement(s) entered / to be entered into by the Board of Directors of the Company upto a sum not exceeding Rs 700 crores (Rupees Seven Hundred Crores) at any point of time."

"RESOLVED FURTHER THAT in connection with the aforesaid resolution, the Board shall have the power to mortgage or otherwise offer as collateral, substantial property, assets and / or undertakings of the Company in certain events, to Banks/ financial institutions, other lending agencies and/ or trustees for the holders of debentures / bonds/ other instruments, to secure any rupee loan, foreign currency loans and/ or the issue of debentures whether partly or fully convertible or non-convertible and / or securities linked to equity shares and/ or rupee/ foreign currency convertible bonds and / or bonds with share warrants attached thereto."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to finalise the terms and conditions and take such steps as may be necessary for obtaining approvals, statutory or contractual or otherwise, if any, required in relation to the above and to settle all the matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds and things that may be necessary, proper and expedient or incidental for the purpose of giving effect to the above resolution".

ITEM NO: 4 TO APPROVE RELATED PARTY TRANSACTIONS U/S 188 OF THE COMPANIES ACT, 2013 AND CLAUSE 49 OF THE LISTING AGREEMENT

To consider and if thought fit to pass with or without modification(s), the following resolution(s) as Special Resolution;

"RESOLVED THAT Pursuant to the provisions of Section, 188 and other applicable provisions of the Companies Act, 2013 read with relevant rules applicable, if any, and Clause 49 of the Listing Agreement, (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the members be and is hereby accorded to enter into the following transactions with the respective related Parties during a financial year.

RELATED PARTY TRANSACTIONS IN THE ORDINARY COURSE OF BUSINESS WITH SUBSIDIARIES (non material subsidiaries)

(Estimated value of transaction per annum)

S.No.	Name of the Related Party	Nature of transaction
		Purchased of Goods (Rs. in Crores)
1.	M/s Soriso Ceramic Private Limited	125
2.	M/s Cosa Ceramics Private Limited	180
3.	M/s Jaxx Vittrified Private Limited	300
	Total	605

"RESOLVED FURTHER THAT the Board of directors (hereinafter called the "Board", which term shall be deemed to include any person (s) authorized and / or Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) of the Company, be and is hereby authorised to do or cause to be done all such acts, matters, deeds and things to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party and execute such agreement, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the company."

**By order of the Board
For Kajaria Ceramics Limited**

Place: Sikandrabad (U.P.)

Date: 27th October, 2014

**R. C. Rawat
Executive V. P. (A&T) & Company Secretary**

Notes:

1. The Board of Directors of the Company (The Board) has appointed Mr. Chetan Gupta, (Membership No. FCS- 6496 CP NO.7077) Practicing Company Secretary and partner of M/s APAC & Associates having its office situated at 701-702, R.G. Trade Tower, Netaji Subhash Place, Pitampura, New Delhi- 110034 as Scrutinizer for conducting the postal ballot process in a fair and transparent manner.
2. The Notice of Postal Ballot is being sent to all the members by post / courier (and electronically by email to those members who have registered their e-mail ids with the Depository or with the Company), whose names appear in the Register of members/ records of depositories as on 17th October, 2014. Notice of Postal Ballot is also being sent to all the Directors and Auditor of the Company.
3. All documents referred to in the accompanying notice and the explanatory statement is open for inspection at the registered office of the Company on working days during office hours from 10 A.M. upto 6 P.M..
4. The Notice of postal Ballot along with the form has been made available on the website of the company i.e, www.kajariaceramics.com.
5. The Company also offers e-voting facility. Please see the instructions below for detail.

In Compliance with Clause 35B of the Listing Agreement and Section 110 of the Companies Act 2013 read with rule 22 of the Companies (Management and Administration) Rules, 2014, the Company is also pleased to provide Electronic Voting (E-Voting) facility as an alternate, to all its members, to enable them to cast their votes electronically instead of dispatching the physical Postal Ballot Form by Post. The Company has engaged the Services of National Securities Depository Limited to provide e-voting facilities to its members. It may be noted that E-voting is optional.

Shareholders have option to vote either through e-voting or through Ballot Form and can download the Ballot Form, from the website of the company viz; www.kajariaceramics.com or seeks duplicate copy of the same either in writing to the company secretary at J-1/B-1 (Extn.), Mohan Cooperative Industrial Estate, Mathura Road, New Delhi-110044 or through e-mail i.e., investors@kajariaceramics.com.

Members desiring to opt for e-voting as per facilities arranged by the Company are requested to read the notes to the Notice and Instructions overleaf the Form. References to Postal Ballot (s) in this notice include the Votes received by electronic means. HOWEVER IN CASE MEMBERS CAST THEIR VOTE BOTH VIA PHYSICAL POSTAL BALLOT AND E-VOTING, THEN VOTING THROUGH E-VOTING SHALL PREVAIL AND VOTING DONE BY POSTAL BALLOT SHALL BE TREATED AS INVALID NOTWITHSTANDING WHICHEVER OPTION IS EXERCISED FIRST.

The E-voting period commences on Monday 10th November 2014 (10.00 A.M) and ends on Tuesday, 09th December 2014 (6.00 P.M) . The E-voting Module would be disabled by NSDL for voting thereafter. During this period, members of the Company, holding shares in Physical Form or in Dematerialized Form, as on cut off date i.e 17th October 2014, may cast their vote electronically.

INSTRUCTIONS FOR E-VOTING:

1. Open the attached PDF file "Kajariae-Voting.pdf" giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password. Please note that the password is an initial password. In case you already have the User ID and Password for e-Voting you may use the same.
2. Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>

3. Click on "Shareholder - Login".
4. Put your existing User ID and password and Click Login.
5. Home page of "e-Voting" opens. Click on e-Voting: Active Voting Cycles.
6. Select "EVEN" of **(KAJARIA CERAMICS LIMITED)**. Members can cast their vote online from Monday 10th November 2014 (10.00 A.M) till Tuesday, 09th December 2014 (6.00 P.M)

Note: e-Voting shall not be allowed beyond said time.

7. Now you are ready for "e-Voting" as "Cast Vote" page opens.
8. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.
9. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail (chetan.gupta@apac.in) with a copy marked to evoting@nsdl.co.in.
10. Once the vote on a resolution is cast by the shareholder, it shall not be allowed to be changed subsequently.
11. In case of any queries you may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the "downloads" section of <https://www.evoting.nsdl.com> or contact NSDL by email at evoting@nsdl.co.in

Please note that:

- o Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.
- o Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the company.
- o It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

Please note that if you have opened 3-in-1 account with ICICI Group i.e. bank account and demat account with ICICI Bank Limited and trading account with ICICI Securities Limited, you can access e-Voting website of NSDL through their website viz.; www.icicidirect.com for the purpose of casting your votes electronically by using your existing user ID and password used for accessing the website www.icicidirect.com. Please note that in case you are not able to login through the ICICI direct website, you can also access the e-Voting system of NSDL by using your existing user ID and password for the evoting system of NSDL.

VOTING THROUGH PHYSICAL POSTAL BALLOT FORM:

- i. A member desiring to exercise his/her vote through Postal Ballot shall complete the enclosed Postal Ballot Form with the assent (For) or dissent (Against) and send it to the Scrutinizer in the enclosed self-addressed Business reply envelope. Postage will be borne and paid by the company. However, envelopes containing Postal Ballots, if sent by Courier or by Registered post at the expenses of the Registered Member/Beneficial Owner will also be accepted. The Envelopes may also be deposited personally at the address given thereon. The Postal Ballot form, duly completed and signed should be returned in the enclosed self-addressed postage business reply envelope directly to the Scrutinizer so as to reach the Scrutinizer before the closing of working hours on or before Tuesday 09th December 2014 to be eligible for being considered. The envelopes received after the aforesaid date shall be treated as invalid and as if no reply has been received from the Member(s).
- ii. The members are requested to exercise their voting rights by using the attached postal Ballot form only. No other form or photocopy of the form is permitted.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 1:

Your Board of Directors analyze that the shifting of the registered office is in the best interest of the company, shareholders and all concerned parties and shall in no manner adversely affect the existing client base, creditors or operations or employees of the company. This shifting would provide administrative convenience. Further, the shareholders of the company are unable to participate/approach to the existing registered office of the company and are unable to represent themselves in the company's general meetings. In connection to this, your Board of Directors has decided in their Board Meeting held on 27th October, 2014, that the Registered Office of the Company be shifted from the State of Uttar Pradesh to the State of Haryana.

As per provisions of Section 12, 13 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, such shifting of Registered Office requires the Company to alter Memorandum of Association of the Company and to obtain necessary approval of the Shareholders by way of special resolution.

A copy of the Memorandum as on date and a copy indicating the proposed amendments is available for inspection at the registered office of the Company on any working day during office hours from 10 A.M. to 6 P.M.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

Therefore your Board of Directors recommends passing the resolution(s) set out in item No. 1 as Special Resolution for shifting the registered office from the state of Uttar Pradesh to the State of Haryana and for altering Clause II of the Memorandum of Association of Company

ITEM NO. 2:

The existing Articles of Association are based on the Companies Act, 1956 and several regulations in the existing articles of association of the company contain references to specific section of the Companies Act, 1956.

With the enactment of new Companies Act, 2013, several regulations of the existing Articles of Association of the company require alteration / deletion/ addition thereto. Given this position, it is considered expedient to replace the existing Articles of the Company by a new set of Articles of Association.

The new Articles of Association to be substituted in place of the existing Articles of Association is based on Table "F" of Schedule I of the Companies Act, 2013, which sets out the model articles of Association for the company limited by shares. Shareholder's attention is invited to certain salient provisions of the new draft Articles of Association of the Company Viz.:

- (a) Existing Definitions have been aligned with Act.
- (b) The Nominee(s) of a deceased sole member are recognized as having title of the deceased's interest in the shares.
- (c) New Provision relating to appointment of chief executive officer and chief financial officer, in addition to the manager and company secretary.
- (d) Existing Articles have been streamlined and aligned with the Act.
- (e) The Statutory Provisions of the Act which permits a Company to do some act "if to authorize by its articles" or provisions, if require a Company to do action prescribed manner "unless the articles otherwise provide" have been specifically included.

The proposed new draft Articles of Association is available for inspection by the members at the registered office of the company on all working days (Monday to Friday) between 10:00 AM to 6:00 P.M. and is also being uploaded on the Company's website i.e. www.kajariaceramics.com for perusal by the shareholders.

In terms of Section 14 of the Companies Act, 2013, the consent of the members by way of special resolution is required for adoption of new Articles of Association.

None of the Directors, Key Managerial Personnel of the company and their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board of Directors accordingly recommend the resolution set out in item no.2 of this notice for your approval as special resolution.

ITEM NO. 3:

In terms of resolution passed in pursuant to section 293(1)(a) of the Companies Act, 1956 by the shareholders at the Annual General Meeting held on 28th August, 2006 consent of the Members was secured for authorizing the Board of Directors to create/mortgage and/or charge on the immovable and movable properties of the company upto Rs. 700 Crores.

As per provisions of the Section 180(1)(a) of the Companies Act, 2013, approval of the members is required for authorizing Board of Directors to sale, lease or otherwise dispose off the whole or substantially whole of the undertaking(s) of the Company and creation of such mortgages, charges, hypothecation, security and other encumbrances, if any, on all or some of the immovable and movable properties current and/ or fixed assets, tangible or intangible assets, book debts and /or claims of the company whosoever situated, present and future, in favour of the lenders/trustees towards the borrowing monies by way of Loans from financial institutions/Banks and other Corporate Bodies apart from working facilities from bank in ordinary course of business upto an amount not exceeding Rs. 700 Crores.

As per provisions of Rule 22 of the Companies (Management and Administration) Rules, 2014, the Resolution under section 180(1)(a) of the Companies Act, 2013 can be passed only through Postal Ballot process.

None of the Directors, Key Managerial Person of the company or their relatives are concerned or interested financially or otherwise in the aforesaid resolution as special resolution.

The Board of Directors accordingly recommend the resolution set out in item no.3 of this notice for your approval as special resolution.

ITEM NO. 4:

The Companies Act, 2013 and Listing Agreement aim to ensure transparency in the transactions and dealings between the related parties of the company. The provisions of section 188 of the Companies Act, 2013 read with Companies (Meeting of Board and Its Powers) Rules, 2014 and Clause 49 of the Listing Agreement (amended upto the date) that governs the related party transactions require that for entering into any contract or arrangement prior approval of Audit Committee and Board of Directors shall be obtained. Further such types of related parties transactions, if exceeds the amount as may be prescribed under the relevant provisions, the shareholders approval by passing special resolution is required.

In the light of provisions of the Companies Act, 2013 read with rules made there under and Clause 49 of the Listing Agreement (amended upto the date), the Audit Committee and Board of Directors of your company has approved the proposed transactions that your company may enter into with related parties (non- material subsidiaries).

The Particulars of the transaction such as — Name of Related parties, Monetary Value, Name of Director or KMP's, if any, and nature of relationships etc in pursuance to Section 188 of the Companies Act, 2013 read with rules made there under are as under:

S.No	Name of Related Party	Nature of Relationship	Nature of Transaction
			Purchased of Goods (Rs. in Crores)
1.	M/s Soriso Ceramics Private Limited	51% Subsidiary	125
2.	M/s Cosa Ceramics Private Limited	51% Subsidiary	180
3.	M/S Jaxx Vitrified Private Limited	61% Subsidiary	300
	Total		605

All the Transactions with above related parties (non material subsidiaries) are in ordinary course of business. These transactions are of continuous in nature and are not for a specific period. The respective transactions held between the aforesaid related parties are at arm's length basis and all factors relevant to the respective contracts have been considered and approved by the Audit Committee and the Board of Directors.

Copies of the Individual Contracts with the related parties (non material subsidiaries) are available for inspection by the members at the registered office of the company on all working days between 10:00 AM to 6:00 P.M.

The members are further informed that no member(s) of the company being a related party or having any interest in the resolution as set out at item No. 4 shall be entitled to vote on this special resolution.

None of the Directors, Key Managerial Person of the company or their relatives are concerned or interested financially or otherwise in the aforesaid resolution as special resolution.

The Board of Directors recommend the resolution set forth in item No. 4 for approval of members as special resolution.

**By order of the Board
For Kajaria Ceramics Limited**

Place: Sikandrabad (U.P.)
Date: 27th October, 2014

**R. C. Rawat
Executive V. P. (A&T) & Company Secretary**